

Supply

A number of articles have been written in recent months which clearly show that is not the case. Of course we have argued over the years that is not the case. However, it is nice to see an independent group such as the *Canadian Economic Observer* write an article in June 1991 called the "Growth of the Federal Debt" which clearly substantiates the arguments we have been making over the years.

I will quote from the article. It analyses the contributions to the growth of the debt after 1975 made by both total revenue and expenditures and their components and says that while the consequences of the debt are controversial, the statistics presented will make it easier to understand how the current level of indebtedness occurred.

It continues that broadly speaking government program spending as a share of Gross Domestic Product did not rise significantly over the whole period from 1975. In fact, it moderated compared to the preceding 10 years when social programs proliferated. Expenditures and social programs did not contribute significantly to the growth of government spending relative to the Gross Domestic Product.

Excluding the cost of unemployment insurance, which is intended to be self-financed and over the business cycle, social program spending has not increased relative to the GDP over the last 16 years. This moderation would have been more evident but for sharp increases in interest payments on the public debt.

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Deficits also became steadily larger after 1975-76, initially more from shortfall of revenues than higher spending, and much of the shortfall originated in numerous changes designed to reduce taxes and in the transfer of tax points to the provinces.

Even more recently, on November 5, 1992, another economist, Patrick Grady of Global Economics Limited corporation, also issued a report which clearly showed that much of the reason why Canada's deficit was so large was the regressive tax reforms brought in by this federal government. There has been a steady erosion of disposable income by middle and low income Canadians through this government in successive budgets nickel and diming people to death.

The average Canadian family, according to this study, is paying about \$2,945 more in taxes today than it was in

1984. That is nearly \$3,000 per family in disposable income that is not being regenerated within the Canadian economy.

When I hear this government say that there is nothing it can do in order to alleviate the poverty of over one million kids in this country who are relying on food banks to have a healthy life style, I just do not understand that.

What has happened is the government has shifted the tax burden away from the corporate sector. I heard my friend over there talking about how his government was helping businesses by the use of tax dollars in his particular constituency. I would like to see, just for a small change in emphasis, perhaps this government getting its priorities right and spending some of those tax dollars on thousands and thousands of Canadian families facing desperate conditions today because of the policies followed by this government.

If we take a look at yesterday's *Quorum*, a press clipping service received by all members of Parliament, we see that the justice panel, the justice committee of the House of Commons, has decided to take a look into the recession as a factor in the increase in the crime rate in this country.

I do not know why a Commons committee today has to undertake that kind of study. It has been well documented. There was a study done by then Senator Hubert Humphrey in the United States labour department in the middle 1970s that clearly showed a link between government economic policy, and in this case a recessionary one, and the increase in crime, in family violence, in suicide rates and in child poverty. I could go on and on and on. It has all been well documented.

This government is choosing to ignore that and to say its whole emphasis as a government has to be on deficit reduction, as opposed to doing things to help alleviate the desperate poverty that many people are living in today.

Even if the recession were to end tomorrow, the various studies I have seen clearly indicate that the effects of that recession do not end when the recession ends. The social programs are going to be with us for at least 10 to 15 years after we get out of this recessionary period.

I am concerned about that. Most people I talk to, ordinary Canadians for the want of a better term, are very much concerned about that. When they talk about the recession, everybody agrees it was made in Canada.